(b) Guidelines issued by Reserve Bank of India for making available to exporters "Pre-shipment Credit in Foreign Currency" (PCFC) and "Rediscounting of Export Bills Abroad". (EBR) at internationally competitive rates, relate to simplification of application forms, availability of credit limits for a longer period, simplification in the execution of documents, fast track approach for clearance of proposals etc.

(c) Exporters would be able to obtain export credit at internationally competitive rates and execute orders expeditiously. Hence it is expected to improve export performance.

Privatisation of SBI

122. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem appearing in the Times of India dated the 6th November, 1999 under the caption "SBI working on plan to become private bank";

(b) if so, what is Government's reaction to the proposed move;

(c) whether similar move is afoot with regard to other nationalised banks also; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) to (d) The Committee of Financial Sector Reforms (Narasimham Committee-II) had observed that the Indian banks, by and large, are not sufficiently capitalised and further capital enhancement would be necessary for the larger Indian banks and especially those which wish to have an international presence. The Committee has therefore observed that with the competing demands

on the budget for investment in areas like infrastructure' and social services, Government cannot continue to indefinitely provide capital to public sector banks. The Committee has further suggested that the public sector banks should be encouraged to raise capital from the market and minimum shareholding by the Government and the Reserve Bank of India in the equity of nationalised banks and the State Bank of India should be brought down to 33 percent respectively. The recommendations of the Committee are under examination.

Reduction in Government Expenditure

123. SHRI O.P. KOHLI: WU1 the Minister- of FINANCE be pleased to refer to the answer to Unstarred Question No. 2274 given in the Rajya Sabha on the 16th March, 1999 and state:

(a) the extent to which Government expenditure was reduced consequent on the 10 per cent cut in non-plan expenditure during 1998 and 1999, year-wise, department-wise;

(b) whether the objective for which the 10 per cent cut was imposed has been achieved; and

(c) if not, the areas which lack curtailment of expenditure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Union Government Accounts for the year 1998-99 are still under finalisation. The results of the cut in expenditure last year will be known only after the accounts for the year 1998-99 are finalised. For the current year, the outcome would be reflected in the Revised Estimates 1999-2000.

Slashing down of CRR

124. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has slashed CRR by 1% as demanded by FICCI;